

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of SOUTHERN CALIFORNIA WATER COMPANY (U 133-W), for an order authorizing it to increase rates for water service by \$19,826,100 or 29.72% in the year 2003; by \$6,327,800 or 7.31% in the year 2004; and by \$6,326,200 or 6.81% in the year 2005 in its Region III Service Area and increased rates for the General Office Allocation in all of its Customer Service Areas in this Application including: Arden-Cordova, Bay Point, Clearlake, Los Osos, Ojai, Santa Maria, Simi Valley and Metropolitan.

Application 02-11-007
(Filed November 4, 2002)

ASSIGNED COMMISSIONER'S SCOPING MEMO AND RULING

Summary

This ruling sets forth the scope, schedule, category, assignment of the principal hearing officer and ex parte communications rules for this proceeding, pursuant to Rule 6.3 of the Commission's Rules of Practice and Procedure (Rules).

Background

On November 4, 2002, Southern California Water Company (SCWC) filed this general rate case (GRC) application seeking Commission authorization to increase rates by 29.72% in 2003, 7.31% in 2004, and 6.81% in 2005 in its Region III Customer Service Areas, which include Orange County, Claremont, San Dimas, San Gabriel Valley, Barstow, Calipatria-Niland, Desert and Wrightwood. In

addition, SCWC requests authority to increase current authorized revenues for the General Office for the Arden-Cordova, Bay Point, Clearlake, Los Osos, Ojai, Santa Maria, Simi Valley and Metropolitan Customer Service Areas, which are not in for a GRC at this time.

The Office of Ratepayer Advocates (ORA) and the Orcutt Area Advisory Group filed protests to the application. Also, the assigned administrative law judge (ALJ) for this proceeding received a letter signed jointly by representatives of the Cities of Claremont and San Dimas opposing the rate increases. A Prehearing Conference (PHC) was held on January 31, 2002. Appearances were taken for SCWC, ORA and the City of Claremont. Among other things, the protests, scope of the proceeding and the procedural schedule were discussed.

Scope of Proceeding

Based on the application, protests to the application and discussion at the PHC, potential issues of dispute in the hearings include the following:

1. Any and all of the estimates upon which proposed revenue requirements for the test and attrition years are based.
2. General Office costs that are adopted in this GRC proceeding and allocated to non-GRC Customer Service Areas.
3. Revenue allocation and rate design proposals, including the continuation of regional rates.
4. The lease of water rights to the City of Folsom.
5. Complaints regarding waste disposal billing performed in conjunction with billing for water service.
6. Comparison of rates with other water utilities.

Schedule

The schedule for this proceeding is as follows:

Date	Activity
April 8, 2003	ORA and Other Interested Parties Issue Testimony
April 28, 29 and 30, 2003	Public Participation Hearings
May 1, 2003	SCWC Issues Rebuttal Testimony
May 12 - 16, 2003	Evidentiary Hearing, as needed
June 6, 2003	Parties File Opening Briefs
June 13, 2003	Parties File Reply Briefs
August 1, 2003	Proposed Decision Filed

My goal is to resolve this matter as soon as possible after it is submitted. However, in no event will resolution exceed 18 months from the date of filing this application, pursuant to Senate Bill 960, (Ch. 856, Stats. 1996) Section 12 and Rule 6(e).

Category of Proceeding

This ruling confirms the Commission's preliminary finding in Resolution ALJ 176-3101, dated November 21, 2002, that this proceeding is a ratesetting proceeding as described in Rule 5(c).

Assignment of Principal Hearing Officer

ALJ Fukutome will act as the principal hearing officer in this proceeding pursuant to Rule 5(l).

Ex Parte Communications

Parties shall observe and comply with the Commission's ex parte communications rules set forth in Rules 7 and 7.1.

IT IS RULED that:

1. The scope and schedule for this proceeding are set forth in the body of this ruling.

2. A Public Participation Hearing (PPH) will be held on April 28, 2003, beginning at 10 a.m. and again at 7 p.m. at the Alexander Hughes Community Center, Padua Room, 1700 Danbury Road, Claremont, California 91711.

3. A PPH will be held on April 29, 2003, beginning at 2 p.m. and again at 7 p.m. at the Stanton City Hall Council Chamber, 7800 Katella Avenue, Stanton, California 90680.

4. A PPH will be held on April 30, 2003, beginning at 2 p.m. and again at 7 p.m. at the Barstow City Hall Council Chamber, 220 East Mountain View Street, Barstow, California 92311.

5. Southern California Water Company (SCWC) will provide notice to its customers not later than 10 days prior to the earliest Public Participation Hearing. Notices shall be provided either as an insert with a regular bill or may be mailed separately if necessary to reach customers at least 10 days before the relevant Public Participation Hearing.

6. The PPH notices will be reviewed and approved by the Commission's Public Advisor's Office prior to mailing. Also, SCWC will provide to the Public Advisor's Office, not later than five days prior to the relevant Public Participation Hearings, a letter certifying that it has complied with the requirement of Paragraph 5 above. The compliance letter shall state the date(s) notices were sent to customers and the approximate number of customers so notified and attach one copy of the actual notice used.

7. Evidentiary hearing in the proceeding will begin at 10 a.m. on May 12, 2003, and continue through May 16, 2003, as needed, in the Commission

Courtroom, State Office Building, 505 Van Ness Avenue, San Francisco, California.

8. This ruling confirms that this proceeding is a ratesetting proceeding for the purpose of Article 2.5.

9. ALJ Fukutome is the principal hearing officer in this proceeding.

10. Parties shall observe and comply with the ex parte communications rules set forth in Rules 7 and 7.1.

Dated February 28, 2003, at San Francisco, California.

/s/ MICHAEL R. PEEVEY

Michael R. Peevey
Assigned Commissioner

CERTIFICATE OF SERVICE

I certify that I have by mail this day served a true copy of the original attached Assigned Commissioner's Scoping Memo and Ruling on all parties of record in this proceeding or their attorneys of record.

Dated February 28, 2003, at San Francisco, California.

/s/ TERESITA C. GALLARDO
Teresita C. Gallardo

N O T I C E

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address to ensure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.

The Commission's policy is to schedule hearings (meetings, workshops, etc.) in locations that are accessible to people with disabilities. To verify that a particular location is accessible, call: Calendar Clerk (415) 703-1203.

If specialized accommodations for the disabled are needed, e.g., sign language interpreters, those making the arrangements must call the Public Advisor at (415) 703-2074, TTY 1-866-836-7825 or (415) 703-5282 at least three working days in advance of the event.